

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA (READING)**

**OBJECTION OF MILL CITY MORTGAGE LOAN TRUST 2018-3  
TO DEBTOR'S DISCLOSURE STATEMENT**

AND NOW COMES, Mill City Mortgage Loan Trust 2018-3 (“Mortgagee”), secured creditor and mortgage lien holder on premises owned by Debtor located at: 2825 W. Girard Ave., Philadelphia, PA 19130 (hereinafter “Subject Property”), by its attorneys, Parker McCay P.A., who hereby aver as follows:

1. Mortgagee is a secured creditor by way of a mortgage representing a first lien on the Subject Property.
2. Debtor filed a Chapter 11 Bankruptcy Petition on September 11, 2018.
3. Debtor filed a Disclosure Statement on or about December 3, 2018.
4. The mortgage is presently being serviced by Shellpoint Mortgage Servicing.

5. The disclosure statement provides as follows:

*1. Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

Class	Impairment	Treatment
Class 2 – Secured Claim of Shell Point Mortgage Services	Unimpaired	<ol style="list-style-type: none"><li>1. Secured Claim UNIMPAIRED, Shell Point Mortgage Services</li><li>2. Re: 2825 w. Girard Avenue, Philadelphia, PA.</li><li>3. <b>PRE-PETITION:</b><ol style="list-style-type: none"><li>a. Debtor is current on all payments.</li><li>b. Principal: \$155,000, Interest: 3.875%, Maturity: 3/1/2036, Monthly Payment: \$850</li></ol></li><li>4. <b>IN PLAN</b> – Debtor will pay as per the terms of the note.<ol style="list-style-type: none"><li>a. Approximate amount allowed: \$155,000. Unsecured claim under § 506 of the Code: \$0.</li><li>b. Total Plan payments: \$51,000.</li></ol></li></ol>

6. Secured Creditor filed a proof of claim #11.
7. The plan proposes that the claim will be unimpaired.
8. Mill City Mortgage Loan Trust 2018-3 is listed as a Class 2 Creditor.
9. The debtor provides that the Class 2 Creditor is unimpaired and not entitled to vote on confirmation:

In this case, the Plan Proponent believes that classes 3, 5, 6, 8 and 10 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes 2, 4, 7 and 9 are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

10. Secured Creditor does not object to having its claim unimpaired. However, the terms as listed in the Classes of Secured Claims are not consistent with the terms of the loan documents, which creates an ambiguity in the treatment for Mill City Mortgage Loan

Trust 2018-3's claim. As an example, the interest rate for the loan is 4.00%; 3.75%. The maturity date of the loan is April 26, 2075; not 3/1/2036.

10. If the debtor wishes to treat the claim as unimpaired, a simple resolution would be to remove paragraphs 3 and 4 from the Treatment section listed above – Similar to how the debtor provides for treatment in the Chapter 11 Plan as follows:

2.02	<u>Class 2</u>	Secured Claim Unimpaired, to the extent allowed as a secured claim under § 506 of the Code, Shell Point Mortgage Services re: 2825 W. Girard Avenue, Philadelphia, PA.
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Dated: 12/19/18

By: /s/ Brian E. Caine

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2018-3